

# Key Facts Insurance in the Netherlands

september 2011



VERBOND VAN VERZEKERAARS

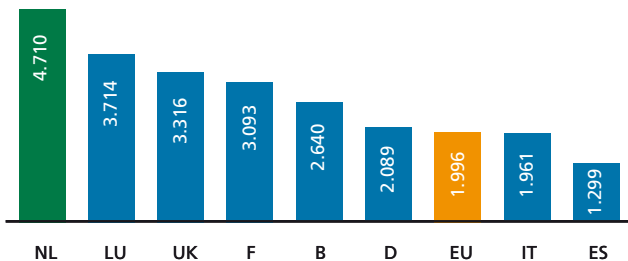
In 2010, Dutch insurance companies:

- had a premium turnover of 78 billion euros,
- paid out 70 billion euros in benefits to private individuals and companies,
- made a profit of 1 cent per euro of premium,
- employed 57,000 people,
- invested 356 billion euros.

## Europe

Premium is the price that insured private individuals and companies pay for the product. Together, all these premiums form the premium volume. The Netherlands is relatively big in Europe. This is predominantly due to the private health insurance system, which is more public in other European countries. In private systems, insurance companies bear the risks; in public systems, the government finances the system with tax money. In terms of premium volume per resident, the Netherlands is top of the list in Europe.

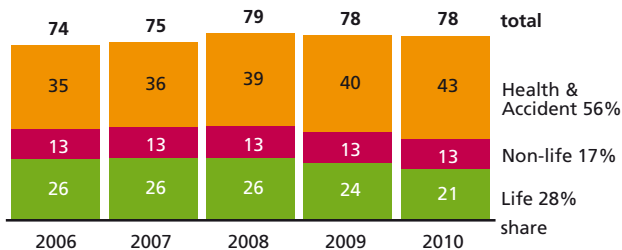
Premiums per resident (€) 2009



## Turnover

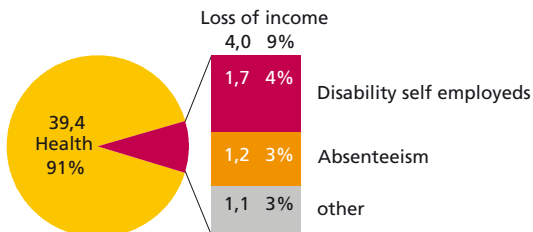
The industry consists of three sectors: Health & Accident, Non-Life and Life. In 2006, the basic health insurance was introduced. This meant a significant increase in the Health & Accident sector. The Non-Life sector is a saturated market with a stable turnover. In 2010, the premium volume in the Life sector shrunk by 12%.

Premiums by sector (€bn)



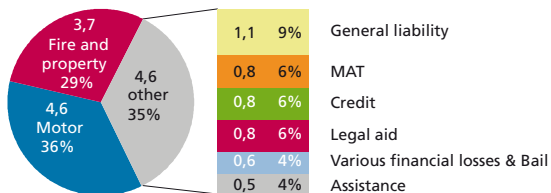
91% of the Health & Accident sector consists of health insurance policies. 9% of the Health & Accident sector consists of loss of income insurance policies, against loss of income due to, for example, occupational disability, illness or an accident.

Premiums 2010 in €bn  
share (%) in total Health & Accident sector



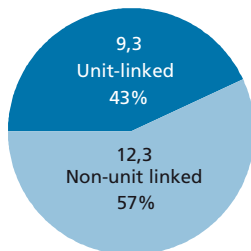
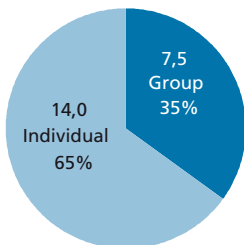
The Non-Life sector is a collection of insurance policies through which the insurance company covers personal loss and property damage, such as traffic injuries, theft from goods storage facilities, or legal assistance.

Premiums 2010 in €bn  
share (%) in total Non-Life sector



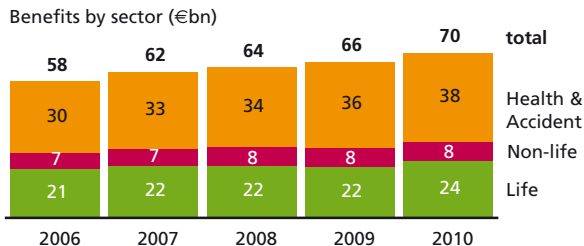
Life insurers pay out benefits for as long as a person is alive, which benefits serve to, for example, supplement a pension, and/or after death, which benefits serve to, for example, pay for a funeral or cremation. Mortgage-linked products make it possible to pay off the mortgage and continue to live in the house after the death of the partner. Private individuals take out individual life insurance policies themselves; group life insurance policies are taken out by, for example, employers for the pension for their employees. With unit-linked insurance policies, part of the risk that the benefit will turn out to be higher or lower is borne by the insured; with non-unit linked insurance policies, only the insurance company runs a risk.

Premiums 2010 in €bn  
share (%) in total Life sector



## Benefits

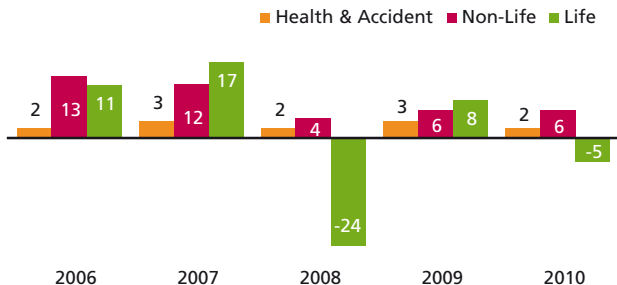
Every day, insurance companies pay 191 million euros in benefits to or for insured private individuals and companies, which serve to, for example, pay for a visit to a doctor, cover water damage to business premises, or supplement a pension.



## Profit

Insurers' pre-tax results were remarkably low in 2008. Especially life insurers were hit by the decrease in the stock exchange. The results of non-life insurers are largely independent of the economic situation. In 2010 the industry made a profit of 1 cent per euro premium.

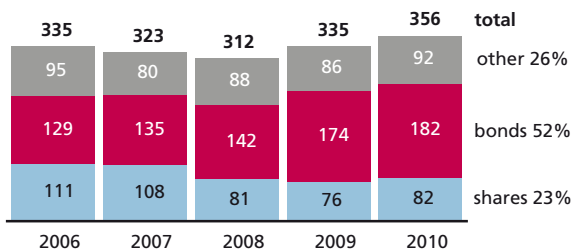
Result before tax (% net earned premiums)



## Investments

Because of their long-term commitments, such as pension supplements, life insurers invest more than health & accident insurers and non-life insurers, which pay out benefits in the short term. The majority of the investments consist of bonds. Their value is more stable than that of shares.

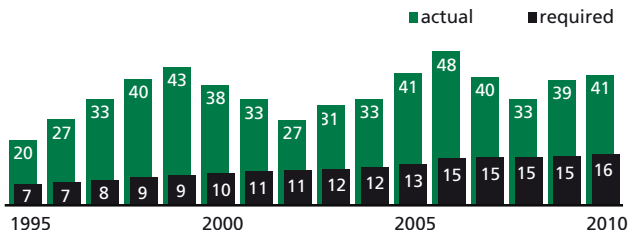
Investments by type (€bn)



## Solvency

Solvency is the extent to which the insurance companies are able to meet future obligations. The supervisory authority DNB sets a minimum, the required solvency. In the last few years, the actual solvency was at least twice as much as the required solvency, i.e. more than 200%. Even during the credit crisis, the actual solvency was well above the required solvency.

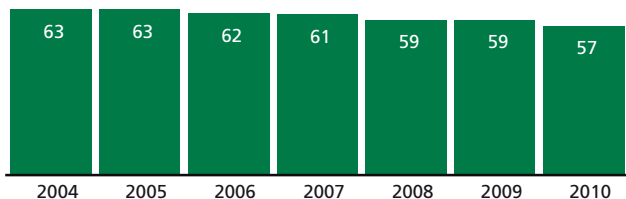
Solvency (€bn)



## Employment

57,000 people work for insurance companies. Through take-overs, company integrations and cost savings, the number of employees is decreasing.

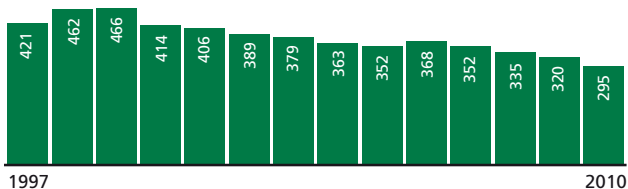
Number of employees of insurance companies ('000)



## Number of insurance companies

The number of insurance companies has been decreasing for years. This is due to take-overs of small and medium-sized insurance companies by larger companies.

Number of companies under DNB supervision



Most of the figures in this booklet have been taken from *Dutch Insurance Industry in Figures 2011* and the *2010 Financial Annual Report of the Insurance Industry* (in Dutch with summaries in English, German and French). These publications can be found at [www.verzekeraars.nl](http://www.verzekeraars.nl).

### **About the Dutch Association of Insurers**

The Dutch Association of Insurers represents the interests of private insurance companies operating in the Netherlands. The Association's members represent more than 95 percent of the insurance market. The Association is an independent organisation managed and financed by its members.

The Centre for Insurance Statistics is the statistics and research agency of the Dutch Association of Insurers.

© Verbond van Verzekeraars

No rights may be derived from this publication.

[www.verzekeraars.nl](http://www.verzekeraars.nl) [info@verzekeraars.nl](mailto:info@verzekeraars.nl) +31 70 333 85 00